



# **SHERIFF'S DEPARTMENT BUDGET STATUS REPORT**

CHIEF EXECUTIVE OFFICE

AUDITOR-CONTROLLER

SHERIFF

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# SHERIFF's 7th Month BUDGET STATUS REPORT

- ▶ LASD is projecting an NCC deficit of \$40.3 million
- ▶ Exceeding salaries and employee benefits by \$81.5 million
- ▶ Struggling to absorb cost increases in retiree health, workers' compensation and overtime
- ▶ LASD plans to fully mitigate the deficit through various one-time solutions including a reduction in overtime and a hard freeze on services and supplies and capital assets spending

# SHERIFF'S OVERTIME

Summary of Overtime \$ in Millions			
Fiscal Year	Budget	Actual/Estimate	Variance
2017-18	\$117.965	\$260.284	(\$142.319)
2016-17	\$158.756	\$283.973	(\$125.217)
2015-16	\$137.751	\$273.572	(\$135.821)
2014-15	\$124.858	\$189.646	(\$64.788)
2013-14	\$103.648	\$115.201	(\$11.553)

- LASD is projecting to exceed its overtime budget by approximately \$142.3 million
- Table 1 illustrates the historical budget and actual expenditures for overtime over a 5-year period which continues to trend upwards



# SHERIFF'S OVERTIME Cont'd

- LASD indicates over expenditures are attributable to hiring delays, vacancies, 98 percent compliance rate for contracts and mandated requirements associated with court settlements and agreements
- Need to perform in-depth analysis to ensure overtime costs are directly tied to vacancies and is not contributing to deficit



# SHERIFF'S UNFUNDED EMPLOYEE BENEFITS

LASD is projected to exceed its budget by a total of \$100.0 million based on the following categories:

- ▶ Retiree Health Insurance by \$16.0 million
- ▶ Workers' Compensation by \$36.0 million
- ▶ Separation Pay by \$28.0 million; and
- ▶ Miscellaneous Earnings Pay by \$20.0 million

LASD has absorbed the actual costs and balanced its budget each year and should identify a permanent funding solution to properly align the budget with actual expenditures.



# CONCLUSION

We recommend that the Department align its budget with actual expenditures by conducting the following:

- A comprehensive review of its (1) ongoing expenditures compared to ongoing revenues; (2) service levels and corresponding funding sources; and (3) operational staffing levels by function;
- In-depth analysis to ensure overtime costs are directly tied to vacancies;
- Continue to assess other internal mitigation efforts available



# NEXT STEPS

- Perform a detailed review and analysis of the department's budget and overtime
  - Present a multi-year financial plan to the Board including a plan to realign the department's budget to reflect its current operational structure and establish cost centers to more accurately reflect and track expenditures.
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